(ii) Grants for creation of infrastructure like water supply, power, effluent treatment plant, laboratory, etc.

(iii) Scheme for quality assurance in units.

(iv) Deduction of hundred per cent of profit for five years under the Income Tax Act for select new food processing industries.

(v) Waiver of central excise duty on processed fruits and vegetable products.

Similarly, for promotion and establishment of agro-based and other village industries, Government implements the following schemes:

(i) Rural Employment Generation Programme (REGP) for employment generation through the setting up of village industries.

(ii) Rural Industries Service Centre (RISC) Scheme for setting up of Common Facility Centres (CFCs) to provide infrastructural support and services to such industries.

(iii) Product Development, Design Intervention and Packaging (PRODIP) Scheme for improved design and packaging of village industry products.

(iv) Financial assistance to village industry units for participation in national and international level exhibitions for market development.

Products in rural areas by multinational companies

717. SHRIMATI S.G. INDIRA: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that due to entry of multinational companies in products manufactured in rural areas with the agricultural produce, the industries in rural areas are facing stiff competition and closure of units;

(b) if so, the steps taken by Government to protect rural industries from closure; and

(c) whether it is also a fact that rural industries provide employment to rural people in a big way?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Under the Foreign Direct Investment (FDI) policy of the Government, some multinational companies have set up agro-based industries. The entry of these companies has led to increase in competitiveness and investment and improvement in product quality in the domestic industry. However, some units in rural areas do close down.

(b) Existing units/self-employment ventures, which were set up with credit from banks and margin money assistance from the Government but have now become sick, are eligible for rehabilitation assistance available to sick units in the Small Scale Industries (SSI) sector, as per the guidelines issued by the Reserve Bank of India (RBI) in January, 2002. These guidelines include measures for *inter alia*, waiver of penal interest on cash credit and term loan from the year the units started making cash losses, segregation of unpaid interest on cash credit and term loan from the total liability and treating the former amout as a separate interest-free loan, reduced rate of interest (reduction of up to 3 per cent for tiny units) to be charged on unpaid term loans, additional working capital loan to be given at a rate of interest not exceeding the prime lending rate, etc.

Further, based on the "Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)" announced by the Government in the Parliament on 10th August, 2005, the RBI has issued guidelines on 8th September, 2005 to all public sector banks that envisage debt restructuring mechanism for nursing sick/potentially sick SME units back to health.

(c) Yes, Sir.

Scheme of Fund for Regeneration of Traditional Industries

718. SHRI RAJEEV SHUKLA: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the status of implementation of "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)" as approved by Government last year;